

INFORMATIONAL ~~SECRET~~

COUNTRY Germany (Russian Zone)

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SUBJECT Reorganization of Foundries

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1. At the beginning of October 1948, Lt. Col. Slobodkin, an economic officer at SMA Karlshorst, ordered that all of the small foundries of the Russian Zone be organized into an industrial combine under the supervision of the Stahl und Walzwerk Riesa, a publicly owned enterprise. The production capacity of all the foundries would then be consolidated for the purposes of production quotas. The finances of all the firms would be under the supervision of the Russian officer at Riesa.

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**Comment:** Previously, it appears, Mannesmann in Leipzig had been the supervisory firm, and it had received a loan of 18 million marks. The Russians were displeased at the inefficiency revealed in the administration of this loan, which had resulted after only three months in a deficit of 4,700,000 marks.)

2. The foundries of the following firms would then be under the administration of Riesa:

Maschinen-Fabrik R. Wolff, Magdeburg  
Maschinen-Fabrik Schäffer und Budenberg, Magdeburg  
Krupp-Gruson SAG, Magdeburg  
Hütte Quedlinburg  
Eisenhütte Köthen  
Stahlwerk Frankleben  
Hütte Wittenberg

3. The following iron production plants are also included in the combine, and are under the supervision of Riesa for the purposes of production quotas, but are under the managerial supervision of Mannesmann Leipzig:

Mannesmann Leipzig - axles, shafts, pinion wheels, rivets, etc.  
Maschinen Fabrik Eilenburg - spur wheels, bolts, etc.  
Krupp-Gruson Magdeburg - crankshafts  
Schäffer und Budenberg - cranks, rudders, armor plates  
Maschinen-Fabrik Erfurt - spur wheels, light gears, etc.  
Waggonfabr. Reichenbach - clutches, etc.  
Maschinen-Fabrik Plauen - brake discs, bearings, bearing cases  
Hütte Mylau - clutches, bearings, etc.  
Maschinen-Fabrik Langenau - axles, crane hooks, etc.

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Hillewerke, Dresden - clutches, brake discs, etc.  
Karl Klemm, Bannewitz - brakes, gears, differentials  
Auto Union, Chemnitz - traveling cranes, clutches, etc.  
Benn G.m.b.H., Freital - rope pulleys, etc.

4. The following firms have been designated as suppliers of half-finished iron products:

E. Müller, Leipzig  
A. Monsky, Eilenburg  
Keilmann & Völker, Bernburg  
Mercedeswerk, Zella-Mehlis  
Maschinen-Fabrik Saalfeld  
Zenag, Zeitz  
Bromberg & Külz, Zeulenroda  
Maschinen-Fabrik Köppelsdorf  
Maschinen-Fabrik Nordhausen  
C.G. Haubold, Chemnitz

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